



Department of Justice

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MOODY'S INVESTORS SERVICE INC. PLEADS GUILTY TO OBSTRUCTION OF JUSTICE IN ANTITRUST INVESTIGATION

WASHINGTON, D.C. -- Moody's Investors Service Inc., one of the largest credit ratings agencies in the United States, pleaded guilty and was sentenced to pay a \$195,000 criminal fine today for obstructing justice by destroying documents called for during an antitrust investigation, the Department of Justice announced.

In a one-count felony case filed today in U.S. District Court in Manhattan, Moody's was charged with obstructing justice in connection with a Civil Investigative Demand (CID) that the company received on March 6, 1996, from the Antitrust Division of the Department of Justice.

A CID is a civil subpoena that calls for the production of documents, answers to interrogatories, or deposition of witnesses. The CID involved in this matter was issued to Moody's in connection with a civil investigation conducted by the Antitrust Division between 1996 and 1999 into alleged anticompetitive practices in the bond rating services industry. This investigation was closed in 1999.

According to the charge, on or about March 7, 1996, an employee of Moody's at the time, with knowledge of the CID and with intent to obstruct compliance with the CID, destroyed documents that were called for by the CID. It was further charged that Moody's did not notify the Antitrust Division of the destruction before certifying that it had produced all documents

required by the CID, even though one or more Moody's executives, in addition to the one who destroyed the documents, knew of, or should have known of, the destruction.

"This charge demonstrates that the Department views any attempt to avoid compliance with a civil investigative demand as a very serious matter," said John M. Nannes, Acting Assistant Attorney General for the Antitrust Division. "Corporate management must take all appropriate steps to ensure full compliance with CIDs. Today's filing should send a clear signal that the Division is committed to vigorous prosecution of such offenses."

Moody's is charged with violating 18 U.S.C. § 1505 which carries a maximum fine of \$500,000 for corporations. Section 1505 specifically prohibits obstruction of the Antitrust Division's CID process.

The obstruction investigation was conducted by the Antitrust Division's New York Office and the Federal Bureau of Investigation.

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